

CTB Decision Brief

Rail Industrial Access Applicant

Location: The City of Bedford

The Matrixx Group, Inc.

Background: The Matrixx Group, Inc. will be located in the City of Bedford, Virginia. This industry provides custom compounding of plastic resins.

Issue: The Matrixx Group, Inc. has submitted an application for Rail Industrial Access funding in the amount of \$340,000 to assist in the construction of 2,800 +/- track feet on two parallel spurs with provisions for a future third spur as part of the construction of its proposed manufacturing facility. The Matrixx Group, Inc.'s facility will be served by Norfolk Southern Railroad. Local matching funds required for this project grant will be \$40,000. As of July 2007, the City of Bedford's unemployment rate was 3.6 percent and the Virginia statewide unemployment rate was 3.1 percent.

Facts: In accordance with Rail Industrial Access adopted board policy, DRPT staff has evaluated the project. This project scores 54 points, will generate a total capital outlay of \$9.9 million, with 18 new jobs created within the first 24 months, with an expected employment of 40 at the end of three years; and generate 375 to 400 railroad cars in 2008, 1300 to 1425 railroad cars in 2009 and 1700 to 1750 railroad cars in 2010 ramping to 1750 to 1800 annual railroad cars for 2011 and thereafter. The City of Bedford, by resolution, endorsed The Matrixx Group, Inc.'s application on June 26, 2007. The project has the support of the Virginia Economic development Partnership.

Source of State Funds: FY 2008 Industrial, Airport, and Rail Access Fund.

Recommendation: DRPT recommends \$340,000 for this project.

Action Required by CTB: Adopted CTB policy for Rail Access requires Board action on the resolution prepared for the Matrixx Group, Inc.

Options: Deferring Board action would have an impact on this planned development including the jobs that would be created.

Public Comment/Reaction: There is no anticipated adverse public reaction to the awarding of these funds.